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## Thailand

### Grain and Feed

### Weekly Rice Price Update

**2008**

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**Report Highlights:**

Domestic and export prices continued to decline by 1-2 percent from the previous week due mainly to limited foreign demand. The Cabinet is expected to approve the National Rice Policy Committee recommendation to revise MY2008/09 main-crop intervention prices down for white rice and fragrant rice paddy. The intervention price for sticky rice should remain unchanged. Meanwhile, the intervention stock release plan has not been finalized. However, exporters have proposed the Government release old-crop intervention stocks of 2.1 million tons in the near-term.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Trade Report  
Bangkok [TH1]  
[TH]

**Indicative Prices (Week Ending Oct. 20):**

| Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.) |                       |    |     |     |     |     |     |             |      |
|---|-----------------------|----|-----|-----|-----|-----|-----|-------------|------|
|   | Exporter Observations |    |     |     |     |     |     | Period Avg. |      |
|   | #1                    | #2 | #3  | #4  | #5  | #6  | #7  | CUR.        | PRV. |
| F WR 100 B  | 800                   | -  | -   | -   | 825 | 770 | -   | 798         | 802  |
| WR 100 B  | 640                   | -  | 640 | 640 | 640 | 620 | 620 | 633         | 645  |
| PB 5%   | -                     | -  | 625 | -   | 630 | 610 | 610 | 619         | 629  |
| WR 5%   | 580                   | -  | 630 | 620 | 620 | 590 | 600 | 607         | 615  |
| WR 10%  | -                     | -  | -   | -   | -   | 583 | -   | 583         | 583  |
| WR 15%  | -                     | -  | -   | -   | -   | 560 | -   | 560         | 560  |
| WR 25%  | -                     | -  | -   | -   | -   | 490 | -   | 490         | 490  |
| WR 35%  | -                     | -  | -   | -   | -   | -   | -   | -           | -    |
| A 1 SUP   | 310                   | -  | -   | -   | 350 | 355 | 350 | 341         | 353  |
| A 1 SPEC  | -                     | -  | -   | -   | -   | -   | -   | -           | -    |

Source: Average actual prices received from exporters, Exchange rate: 34.0 baht/U.S.\$

**Market Tone**

Domestic and export prices continued to decline by 1-2 percent from the previous week due mainly to limited foreign demand. The National Rice Policy Committee (NRPC) agreed on October 20 to revise MY2008/09 main-crop intervention prices down by 1,000 – 2,000 baht/ton (\$30-\$60/MT) to 12,000 baht/ton (\$353/MT) for white rice paddy, and 15,000 baht/ton (\$441/MT) for fragrant rice paddy. The intervention price for sticky rice will remain unchanged at 9,000 baht/ton (\$265). The Cabinet is expected to approve this revision today (October 21). The new intervention program will start November 1, 2008 and finish by the end of February 2009 with a budget of 100 billion baht (\$2.9 billion) and an intervention target of 8.0 million tons of paddy. Meanwhile, the intervention stock release plan has not been finalized. However, exporters have proposed the Government release old-crop intervention stocks of 2.1 million tons first, of which 1.1 million tons are white rice and the rest being fragrant rice. Bidding prices will likely be offered at around \$400-\$450/MT, FOB for white rice, and \$550-\$600/MT for fragrant white rice. Meanwhile, current second-crop intervention stocks of 2.7 million tons, all of which are white rice, will cost at least \$700/MT in order to cover costs associated with the second-crop program. Currently \$700/MT is more than \$200/MT higher than Vietnamese rice prices.

The following are the reported rice exports (as is basis):

| WEEK ENDING | QUANTITY | 4-WK AVG | YEAR TO DATE | YEAR AGO | YEAR TO DATE AS % OF LAST YEAR |
|-------------|----------|----------|--------------|----------|--------------------------------|
|             | (MT)     | (MT)     | (TMT)        | (TMT)    | %                              |
| Aug 24      | 155,649  | 126,108  | 5,708        | 3,355    | 70.2                           |
| Aug 31      | 154,550  | 139,373  | 5,863        | 3,442    | 70.4                           |
| Sept 7      | 131,622  | 141,772  | 5,995        | 3,573    | 67.7                           |
| Sep 14      | 129,898  | 142,930  | 6,124        | 3,717    | 65.0                           |
| Sep 21      | 125,818  | 135,472  | 6,250        | 3,866    | 61.7                           |
| Sep 28      | 133,622  | 130,240  | 6,384        | 4,060    | 57.3                           |
| Oct 5       | 88,544   | 119,470  | 6,472        | 4,238    | 52.7                           |
| Oct 12      | 96,178   | 111,040  | 6,569        | 4,411    | 48.9                           |
| Oct 19      | 132,978  | 112,830  | 6,702        | 4,604    | 45.6                           |

*Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.*

Unofficial exports (excluding fragrant rice) for Oct. 13-19, 2008 totaled 132,978 up 36,800 the previous week, and up 20,147 from the four-week moving average of 112,830 tons. Exports during Jan. 1 – Oct. 19, 2008 totaled 6,701,553 tons, as compared with 4,603,550 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Oct. 16, 2008, amounted to 8,657,712 tons, up 29.98 percent from 6,660,681 tons in the previous year.

### Weekly Rice Sales

Private registered rice export sales for the period of Sep. 29 – Oct. 3, Oct. 6-10, and Oct. 13-17 are as follows:

| Movement (MT)      | Sep. 29-Oct. 3 | Oct. 6-10 | Oct. 13-17 |
|--------------------|----------------|-----------|------------|
| Weekly sales       | 92,659         | 106,202   | 53,195     |
| 4 week sum         | 454,084        | 455,673   | 364,487    |
| 4 week mov. avg.   | 113,521        | 113,918   | 91,122     |
| Total weekly sales | 5,892,860      | 5,999,062 | 6,052,257  |

End of Report.